



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

JUNE 5, 2003

<u>TM GRAIN TRANSPORT COST</u> <u>INDICATORS</u>	<u>Ocean</u>				
	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Gulf</u>	<u>PNW</u>
Indicator Value* for 06/05	95	102	74	140	159
Compared to Last Week	↓	↑	↓	unchanged	↓
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

June 21-24	Int'l Food & Agribusiness Mgmt. 13 th Annual World Food and Agribusiness Forum & Symposium	Cancun, Mexico	979-845-2118 (ph) 979-862-1487 (fax) iama@tamu.edu
June 22-25	American Seed Trade Association Annual Convention	Henderson, NV	888-890-7333 (ph) 703-837-8140 (ph)
July 13-18	28 th Annual Summer Ports, Waterways, Freight And International Trade Conference	Portland, Oregon	Joey Cambridge 202-334-2000 jcambridge@ngs.edu
July 20-22	U.S. Grains Council, 43 rd Annual Board of Directors Meeting; 4 th International Grain Marketing Conference And Trade Show	Minneapolis, MN	202-789-0789 (ph) 202-898-0522 (fax) grains@grains.org
July 27-30	America Agricultural Economics Association Annual Meeting	Montreal, Quebec Canada	515-233-3202
Sept. 10-12	Greater New Orleans Barge Fleeting Assoc. 2003 River & Marine Industry Seminar	New Orleans, LA	Alan Savoie 985-783-6605 (ph) www.gnobfar.com
Sept. 24-26	National Waterways Conference Annual Meeting	Houston, TX	202-296-4415 (ph) 202-835-3861
Sept. 28-Oct. 3	2003 American Association of Port Authorities (AAPA) Annual Convention	Curacao, Netherlands Antilles	703-684-5700 (ph) 703-684-6321 info@aapa.ports.org
Oct. 18-21	National Assoc. Of Wheat Growers (NAWG) Fall Board Meeting	Minneapolis, MN	202-547-7800 (ph) 202-546-2638 (fax) wheatowrld@wheatworld.org

Report is prepared by Deen Olowolayemo, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

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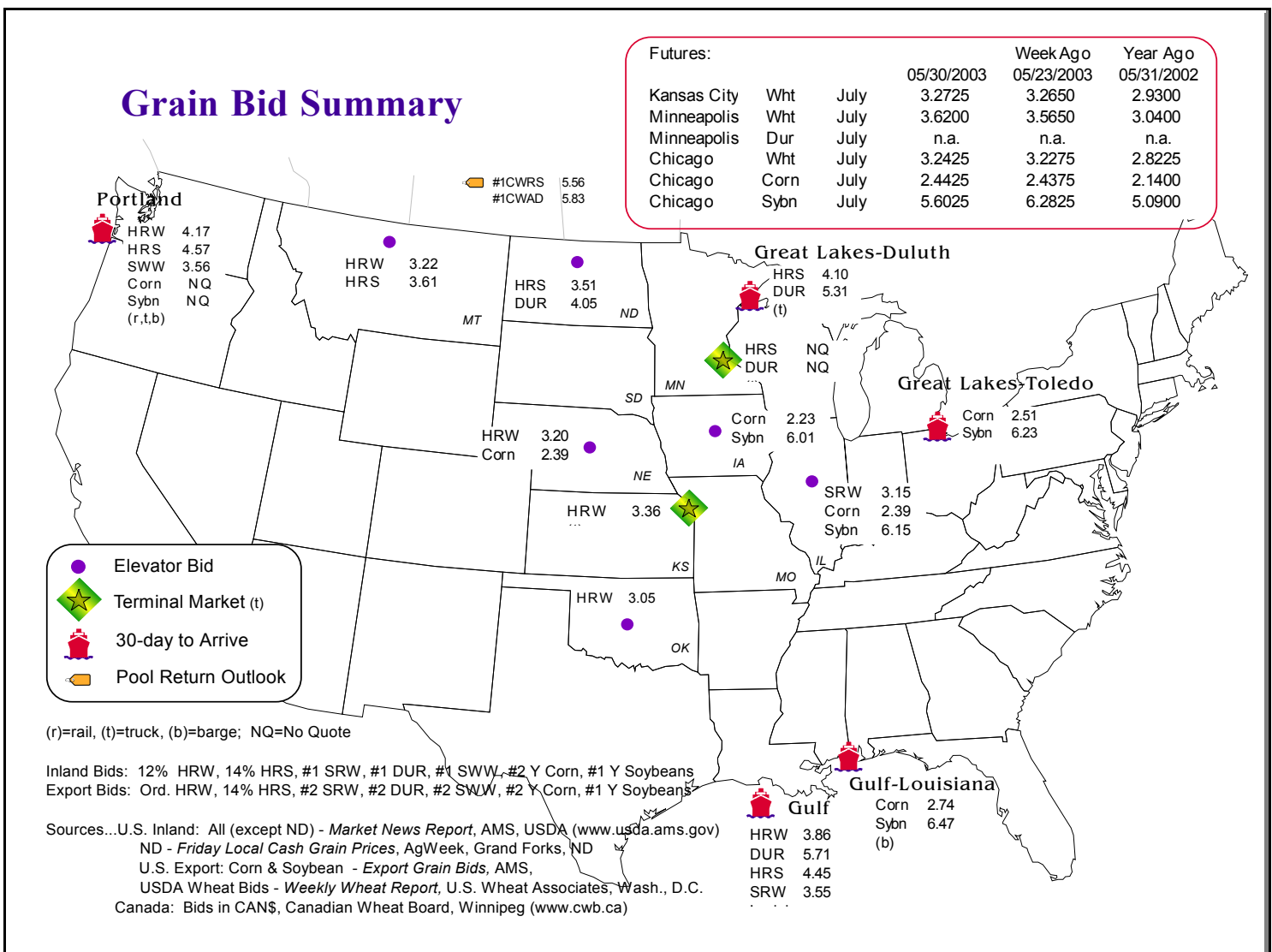
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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.35	-0.37
Corn	NE -- Gulf	-0.35	-0.35
Soybean	IA -- Gulf	-0.46	-0.48
HRW	KS -- Gulf	-0.50	-0.33
HRS	ND -- Portland	-1.06	-1.11

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Grain Bid Summary

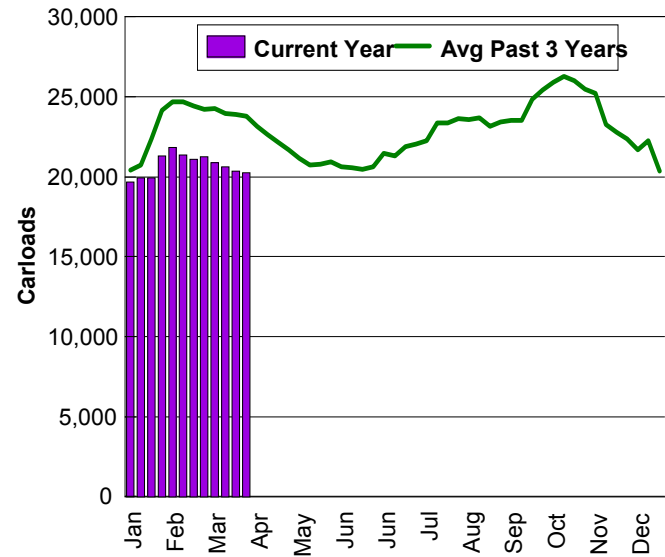
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

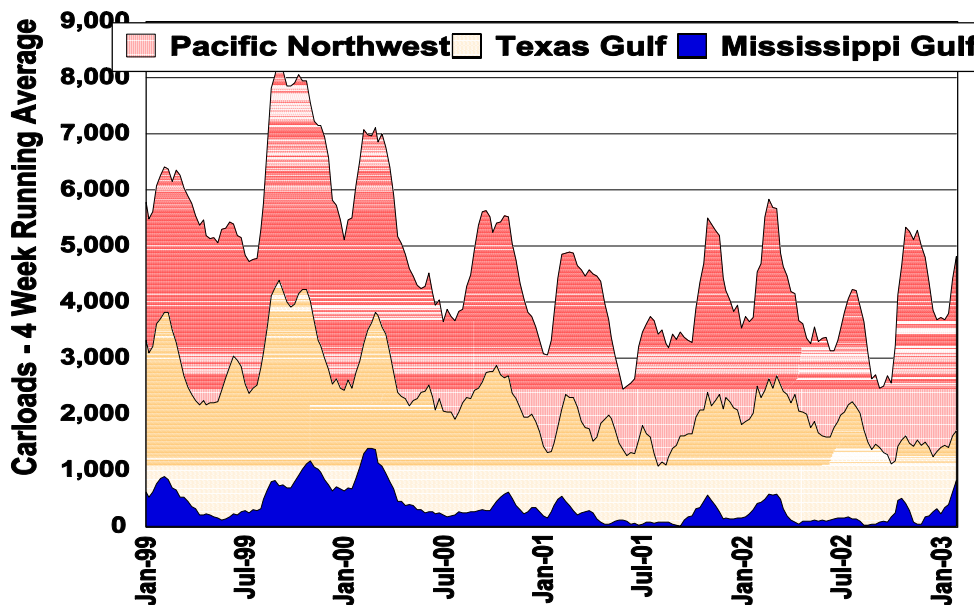
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
05/14/03	15	1,285	1,604	61	2,965
05/21/03	39	1,053	1,774	94	2,960
YTD 2003	8,115	22,744	66,004	8,970	105,833
YTD 2002	5,777	40,079	43,289	10,996	100,141
% YTD 2002	140%	57%	152%	82%	106%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
05/24/03	3,042	3,264	5,970	202	6,080	18,558	3,046	2,415
This Week Last Year	2,736	2,963	6,636	603	6,492	19,430	4,464	3,005
2003 YTD	58,540	67,558	155,056	7,073	136,593	424,820	70,008	71,549
2002 YTD	60,840	66,631	154,216	12,363	140,250	434,300	86,430	75,790
% of Last Year	96%	101%	101%	57%	97%	98%	81%	94%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Covered Hopper Cars Online Index*

May-03	95.5	99.6	93.2	91.3	90.6	93.7
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jul-03	Aug-03	Sep-03
COT/N. Grain	\$0	\$0	\$(133)
COT/S. Grain	\$0	no bid	\$0
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	\$2	\$2

Source: Transportation & Marketing/AMS/USDA.

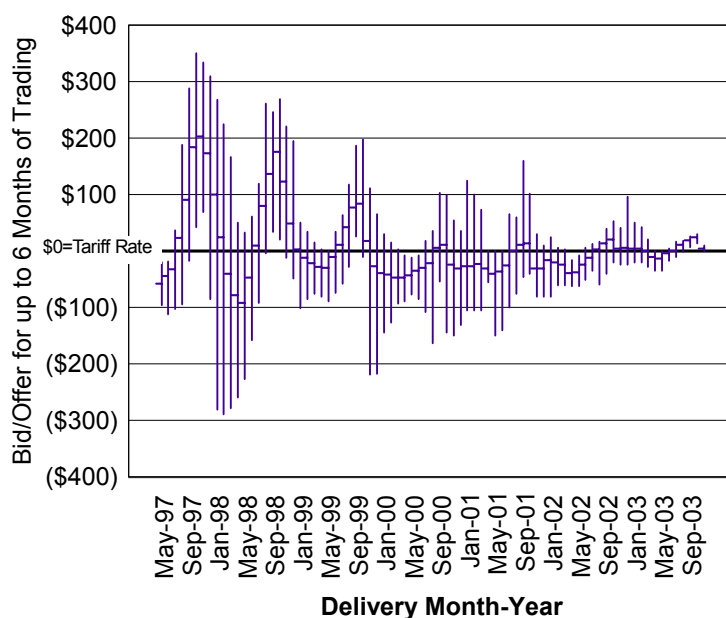
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jun-03	Jul-03	Aug-03	Sep-03
BNSF-GF	\$(2)	\$0	\$2	\$17
UP-Pool	\$(10)	\$5	\$14	\$24

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

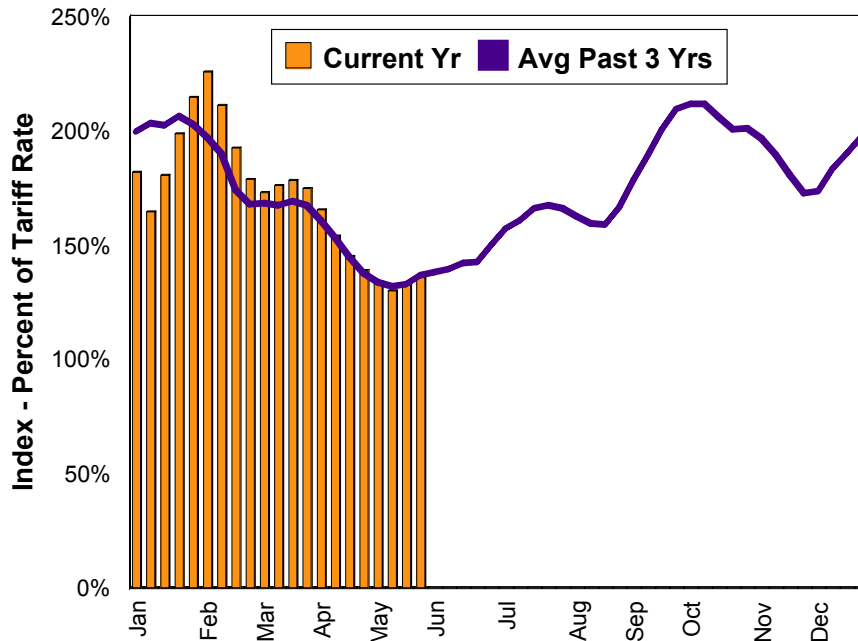
May 2003

Source: www.bnsf.com, approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu*

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/02/03	113710	Wheat	Kansas City, MO	Galveston, TX	\$1,720	\$18.96	\$0.52
06/02/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
06/02/03	46540	Wheat	St. Louis, MO	Houston, TX	\$1,795	\$19.79	\$0.54
06/02/03	113710	Wheat	Kansas City, MO	Laredo, TX	\$2,180	\$24.03	\$0.65
06/02/03	15507	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
06/02/03	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
06/02/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	\$1,845	\$20.34	\$0.52
06/02/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$1,970	\$21.72	\$0.55
06/02/03	113210	Corn	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.51
06/02/03	1132	Corn	Des Moines, IA	Laredo, TX	\$2,595	\$28.60	\$0.73
06/02/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
06/02/03	1144	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
06/02/03	1144	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
06/02/03	1144	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
06/02/03	11441	Soybeans	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.54

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	5/28/03	5/21/03	June '03	August '03
Twin Cities	183	186	185	200
Mid-Mississippi	147	153	152	175
Illinois River	135	141	142	167
St. Louis	105	106	114	148
Lower Ohio	116	114	119	157
Cairo-Memphis	99	104	106	141

Source: Transportation & Marketing /AMS/USDA

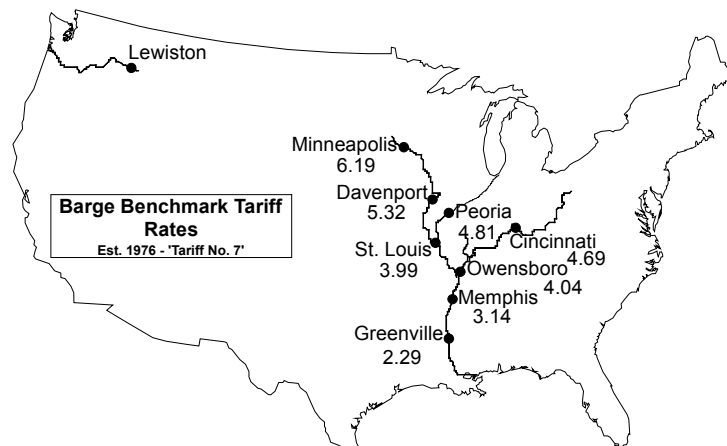
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

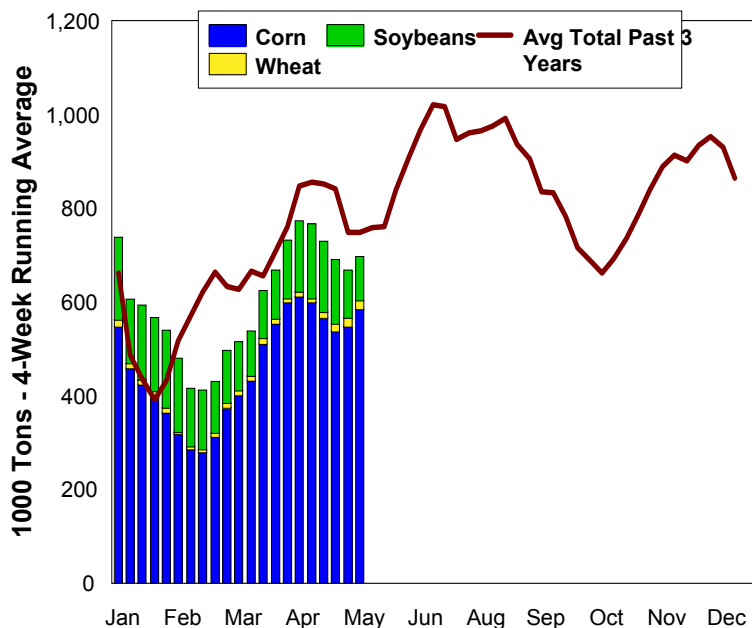
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
6/03/03	St. Louis	July	n/a	123
		Sept	n/a	130
		Nov	n/a	183
		Dec	n/a	150
		Jan	n/a	135
	Illinois River	July	n/a	143
		Sept	n/a	165
		Nov	n/a	175
		Dec	n/a	165
		Jan	n/a	195

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)

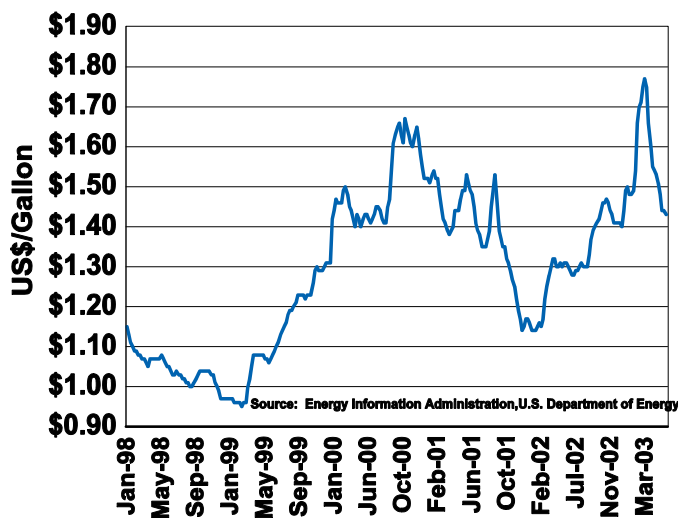
Barge Grain Movements (1,000 Tons)
for week ending 5/24/03

	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	360	16	68	443
Winfield, MO (L25)	500	5	86	591
Alton, IL (L26)	718	11	105	834
Granite City, IL (L27)	775	12	117	904
Illinois River (L8)	175	2	22	199
Ohio River (L52)	30	2	21	69
Arkansas River (L1)	0	13	4	25
2003 YTD	10,865	670	3,919	15,854
2002 YTD	13,405	883	4,279	19,332
% of 2002 YTD	81%	76%	92%	82%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

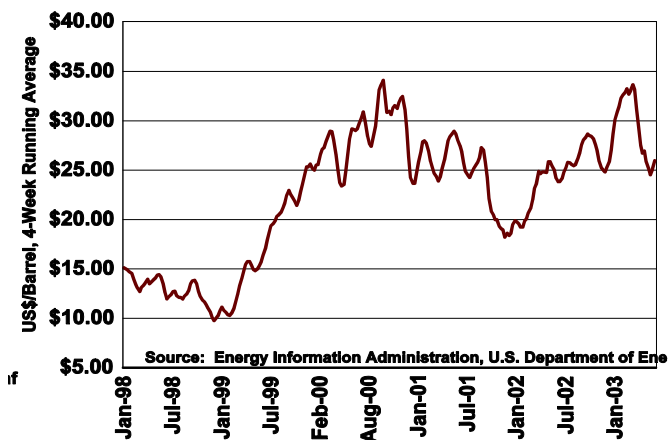
TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices (06/03/03)

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	29.22	28.16	↑
Brent Crude	27.96	26.28	↑

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

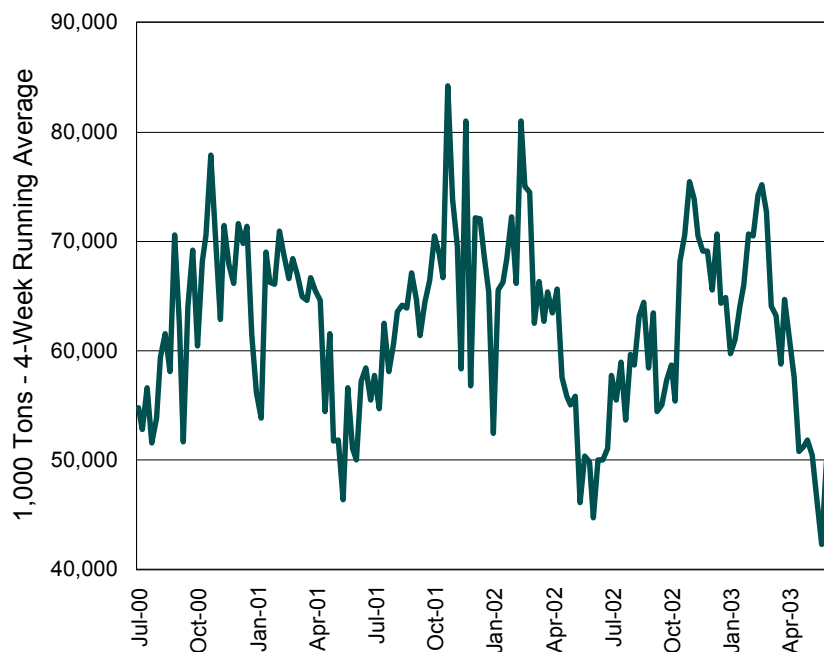
	Wheat					All	Corn	Soybean	Total
	HRW	SRW	HRS	SW W	DUR				
05/22/2003	1,236	437	1,039	528	165	3,306	5,937	2,745	11,988
This Week Year Ago	440	203	312	335	21	1,309	6,582	2,522	10,413
Commulative Exports-Crop Year									
02/03 YTD	6,772	2,847	6,473	3,497	720	20,309	28,723	26,055	75,087
01/02 YTD	8,550	5,430	5,469	3,094	1,113	23,656	33,979	25,454	83,089
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
05/29/03	152	98	0	98	590	74	58	0	0	249	761	58
2003 YTD	3,504	2,287	2,424	1,805	11,180	9,006	1,745	529	50	8,214	21,990	2,324
2002 YTD	3,589	1,948	1,231	2,619	16,015	8,724	2,508	116	245	6,768	27,358	2,869
% of 2002 YTD	98%	117%	197%	69%	70%	103%	70%	456%	20%	121%	80%	81%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export**Select Canadian Port Export Inspections**

1,000 Metric Tons, Week End Summary

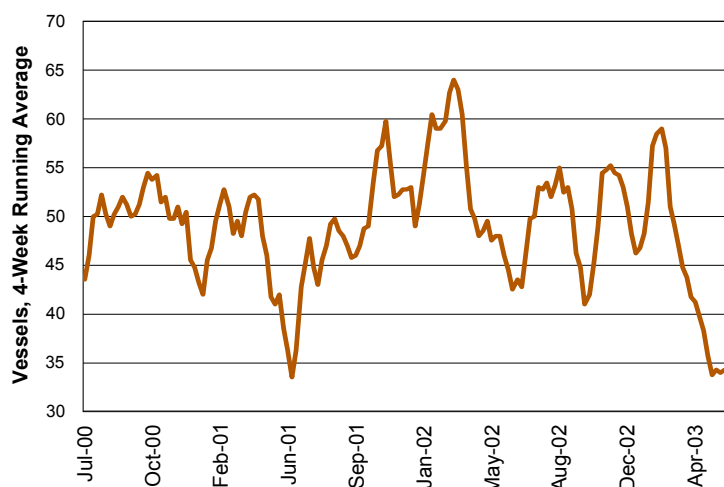
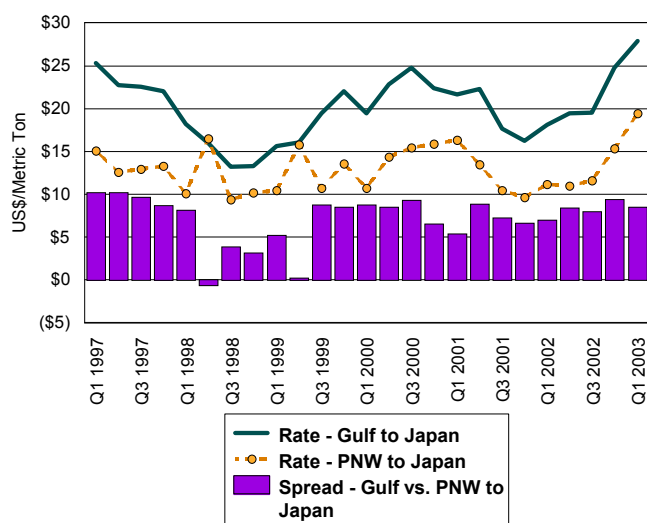
04/17/2003	Wheat	Durum	Barley
Vancouver	11		4
Prince Rupert			
Prairie Direct	17		1
Thunder Bay			
St. Lawrence	3,460	1,798	256
2001/02 YTD	8,878	2,283	711
2002/03 YTD	3,488	1,798	261
% of Last Year	255%	127%	272%

Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
05/22/03	25	34	44	6	6
05/29/03	20	31	54	9	3
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading Past 7 Days**Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 1 st Qtr	2002 1 st Qtr	% Change		2003 1 st Qtr	2002 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$27.91	\$18.25	53%	Japan	\$19.43	\$11.31	72%
Mexico	-	\$31.49	-				
Venezuela	\$15.00	-	-				
N. Europe				Argentina/Brazil to			
	\$14.50	\$10.67	36%	Med. Sea	\$25.35	\$17.85	42%
N. Africa	-	\$17.58	-	N. Europe	-	\$13.48	-
Med. Sea	\$14.50	\$10.97	32%	Japan	-	\$25.59	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 5/31/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Netherlands	Grains	May 29/31	60,000	\$20.25
U.S. Gulf	Japan	Heavy Grain	June 4/17	54,000	\$32.50
U.S. Gulf	Japan	Heavy grain	June 10/24	56,000	\$32.00
U.S. Gulf	Angola	Maize Bggd	Jun 7/15	1,500	\$130.00*
PNW	China	Heavy Grain	July 6/16	56,000	\$19.75
PNW	China	Heavy Grain	July 16/26	10,000	\$18.75
River Plate	Algeria	Meals	June 5/15	20,000	\$41.00
Norfolk	Latvia	Wheatflour Bggd	Jun 20/30	1,650	\$70.61*

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

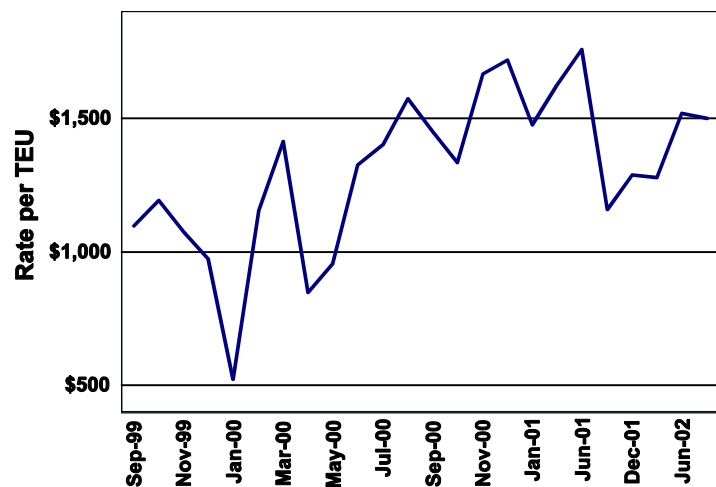
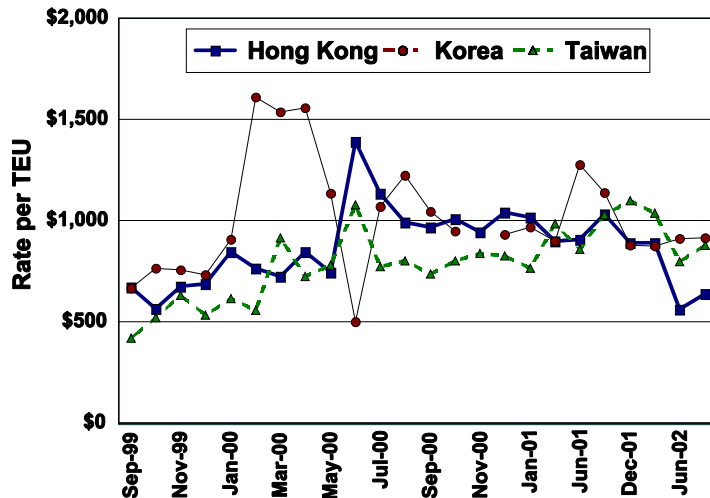
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates

Average Rate per TEU, Weighed by Shipping Line Market Share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan**Container Rates - Feed Grain**
Seattle, WA Origin to Selected Destinations

Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.